

# THE ORGANIZED FARMER

G-35

**May, 1957**

**Egg Marketing**

Page 4

**Basic Herd**

Page 6

**Point of Law**

by A. M. Brownlee

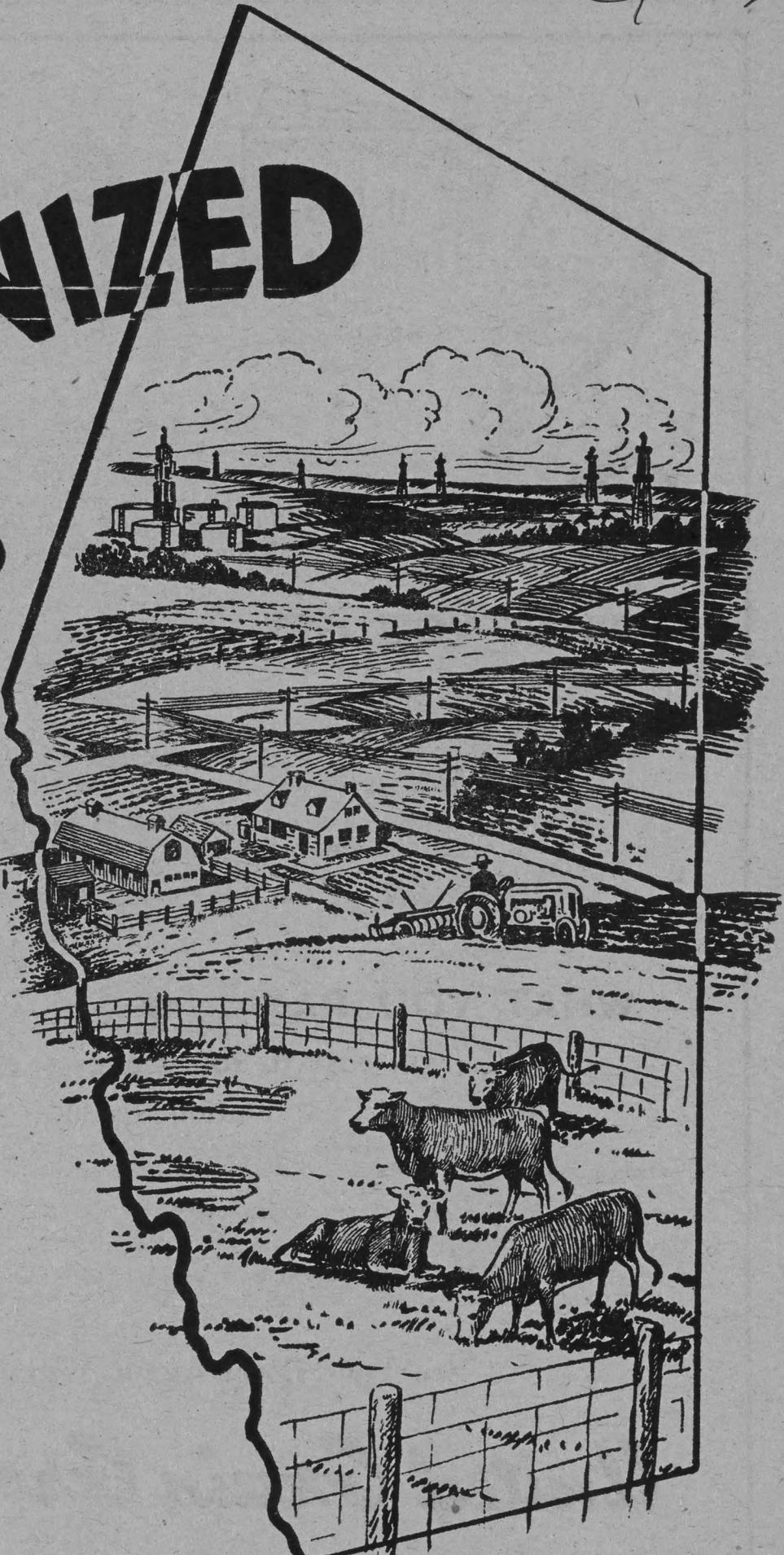
Page 13

**U.S. Farmers Take a  
New "Look" at Farm  
Problems**

Page 17

**Parity Income**

Page 19



BARD  
S  
1  
F23349  
v.16:  
no.1-11  
1957

GENERAL SCIENCES



## Good News For Farmers !

Realizing the great need of its farmer customers for accident insurance protection, United Grain Growers has developed a special, low cost Accident Insurance plan which it offers to all grain producers who are currently customers of United Grain Growers Limited.

### WHAT YOU GET



**\$1,500** Will be paid if your death is caused by an accident.

**\$1,500** will be paid if you lose the sight of both eyes, or both hands, both feet, any combination of two, because of an accident. \$750 is paid for the loss of one eye, one hand, or one foot.

**to \$750** will be paid for the expenses of hospital or medical treatment of an injury over and above the first \$50 of such expense. (For example, if total coverage expenses for an accident were \$350, you would pay the first \$50 and the plan would pay the balance of \$300.)

### WHAT YOU PAY



**THE COST TO YOU IS ONLY \$2.50 a YEAR**

No Medical Examination Needed — No Age Limit

extremely low cost is made possible only because of —

The group purchasing power of over 55,000 Farmer Customers of United Grain Growers.

United Grain Growers is paying a substantial part of the total cost of the Plan—leaving you and your fellow customers only this small amount to pay.

**See Your Local Agent Without Delay**

**United Grain Growers Ltd.**

# Farmers' Union of Alberta

9934 - 106 Street, Edmonton, Alberta

## EXECUTIVE:

President — Arnold Platt, Lethbridge.  
 Vice-Pres. — Henry Young, Millet,  
 Mrs. W. C. Taylor, Wainwright,  
 A. B. Wood, Dewberry,  
 Ed Nelson, Brightview.

Secretary — Mrs. Pansy Molen.

F.W.U.A. President — Mrs. C. T. Armstrong,  
 2113 - 29th Ave., S.W., Calgary.

## F.W.U.A. EXECUTIVE:

President — Mrs. C. T. Armstrong,  
 2113 - 29th Ave., S.W., Calgary.  
 1st Vice-President — Mrs. Olive Douglass, Vulcan  
 2nd Vice-Pres.—Mrs. C. R. Braithwaite Red Deer

## JUNIOR EXECUTIVE:

President — Walter Scheidt, Didsbury.  
 1st Vice-Pres. — Dean Lien, Warner.  
 2nd Vice-Pres. — Aubrey Marler, Bremner.

District	F.U.A.
1. Uri Powell, Sexsmith	
2. H. P. Marquardt, High Prairie	
3. Clare Anderson, Freedom	
4. Fritz Wuth, Rat Lake	
5. Charles Seeley, Cherhill	
6. S. A. Sanford, Vegreville	
7. Mrs. Mildred G. Redman, Hardisty	
8. W. R. Hansel, Gadsby	
9. Max Sears, Duhamel	
10. L. Hilton, Strathmore	
11. James A. Cameron, Youngstown	
12. George Loree, Parkland	
13. Anders H. Anderson, Box 327, Med. Hat	
14. G. D. Minion, Warner	

WAR VETERANS' SECTION: Chairman—R. E. G. Armstrong, Parkland; Secretary—Robert Davidson, Delburne

## BOARD OF DIRECTORS

### F.W.U.A.

Mrs. M. Robertson, Clairmont  
 Mrs. E. Fewang, High Prairie  
 Mrs. Hilda Beach, Westlock  
 Mrs. A. Beaudin, Owlseye  
 Mrs. Laura Gibeau, Morinville  
 Mrs. Paul Dowhaniuk, Box 7, Site 1,  
 R.R. 4, Edmonton  
 Mrs. Geo. Finlay, Lloydminster  
 Mrs. Cecil Keast, Viking  
 Mrs. F. A. Sissons, Clive  
 Mrs. W. L. Barker, Calgary  
 Mrs. Russell Johnston, Helmsdale  
 Mrs. F. H. House, Arrowwood  
 Mrs. Sam Alberts, Brooks  
 Mrs. M. Roberts, Owendale

### JUNIOR F.U.A.

Eddie Brown, Beaverlodge  
 Robert Girard, Girouxville  
 R. Hutchison, Lunnford  
 Hanna Anderson, Sugden  
 Alex McCalla, Bremner  
 Paul Ewanciw, Myrnam  
 Calvin Ross, Forestburg  
 Laurena Pollock, Hubalta  
 George Doupe, Oyen  
 Hartley McDonald, Vulcan  
 Richard Barton, Wrentham  
 Robert Davidson, Delburne

## President's Report

I had the opportunity to take part in a meeting of a committee of the C.F.A., called to discuss modification in their price support policy. The findings of this committee will be submitted to the mid-summer board meeting of the C.F.A. At that time they will be adopted, altered or rejected. Until the board has had a chance to discuss the committee's recommendations it is perhaps best not to publicize them. However, if the recommendations are adopted the price support policy of the C.F.A. will be much closer to that of the Farmers' Union than ever before. In fact, with some give and take on both sides, it should be possible to make them identical. If that can be accomplished then it will remove the last remaining policy difference between the two organizations. Then, if we cannot go to the government together, at least we can go with the same story.

A further meeting was held between the I.F.U.C. and the Federation on the question of uniting our forces for the good of all farmers. I was impressed with the realistic and frank discussion we had. Certain objectives were agreed upon and plans laid to reach these objectives

as soon as possible. There are certain key provincial areas where ground work on a provincial basis must be done before national unity can be obtained. It is recommended that this be attempted immediately. The committee will meet again in the fall to review progress and take whatever steps may seem necessary at that time.

Obtaining unity on the farm front is taking an awfully long time. One can tear down so quickly what takes so long to build. However, progress is being made. It is hard to document that statement. Perhaps it can best be done by saying that we have reached the stage when we are sitting down together and talking realistically and rationally about our problems. There are only three things which can divide the farmers of Canada — policy, personalities and prejudice. We are getting close together on policy. Personalities and prejudices will always be with us, but there are things we can do about them. Farm people should not elect to high office people who are interested in personal aggrandizement. The place for such people, if they have ability, is in politics. We can do much about our prejudices too. The basis of prejudice is lack of knowledge, and gossip. It is up to each of us to get the facts and not to listen to

idle gossip. From bitter experience I have learned not to be too optimistic about farm unity, but if we do not run into too many snags I hope that, at the 1958 convention, it can be reported that a unified, national organization is under way. I also hope that at that time it can be announced that the budget for the coming year will be a quarter of a million dollars. That will take some doing but it can be done. Make no mistake — a national organization is no more effective than the dollars it has.

We had an executive meeting of the Inter-provincial Farm Union Council at Winnipeg, at which time tentative plans were made for the joint board meeting in July and other business disposed of. Mr. Rudy Usick, vice-president of the Manitoba Farmers' Union, has replaced Mr. Jake Schulz on the I.F.U. Council. Mr. Schulz is the C.C.F. candidate for Springwater in the current election. Mr. Usick is a young man of great ability and whom all his associates like and respect. He will, I am sure, be most valuable on the Council. In addition to his office with the Manitoba Farmers' Union he is a director of the Manitoba Dairy and Poultry Co-op.

At this time memoranda were prepared and presented to the Canadian Wheat Board and the Board of Grain Commissioners by the I.F.U.C. Executive. Good discussions were had. Almost all actions that had been recommended by the I.F.U.C. have now been acted upon by these boards, and very few contentious points were left for discussion.

There was one point we were unhappy about. We urged the Wheat Board to see that quotas were equalized at the end of the crop year. They told us that they would equalize quotas as much as possible but that almost surely they would not end the crop year with equal quotas and explained the difficulties they face. While I appreciate these difficulties I cannot accept the idea that we can carry on year after year with unequal quotas. It just won't work and we are going to have to find ways and means to give every producer an equal opportunity to have his share of the market available.

As a result of this, and other discussions, it has become obvious that the grain delivery situation for the balance of this crop year, and next fall, will be most unsatisfactory. Accordingly, plans are being made to present to the new government, as soon as it is formed, a brief outlining the seriousness of the problem and some definite and far-reaching recommendations for helping the situation.

Both Mrs. Platt and myself hope to see as many of you as possible at the District Conventions.

## QUIZ!

Please keep this issue of the paper as there will be a 20 question quiz in the June issue of the articles in this Organized Farmer.

## Principles of a Proposed Egg Marketing Plan of Operation

Under this Plan the Board may:

1. Appoint all dealers as agents of the Board, also all producers who grade their own eggs and sell to retail trade. Thus producers would continue to deliver wherever they liked and to whom ever they liked.
2. Set minimum prices to producers and maximum prices at the wholesale level, thus avoiding extreme and unnecessary price fluctuations. Prices may be adjusted as the need arises.
3. Require the collection of license fees or service charges from all agents of the Board, also reporting of all purchases, sales and storage stocks, but otherwise carry on their operations as usual. Charges collected would provide a reserve for costs of operation and any loss on surplus disposal.
4. Control storage program to insure proper storage conditions, also its use as a stabilization feature and not a speculative venture.
5. Designate a single Provincial agency which may acquire ownership of or direct the marketing of all surplus eggs within the Province.
6. Co-operate with similar boards in other provinces in the setting up of a National Board composed of representatives from provincial boards. The National Board shall be responsible for:
  - (a) Co-ordinating price policy in the inter-provincial field.
  - (b) Directing the marketing of surplus eggs to either deficiency areas within Canada or to export markets.
  - (c) Negotiating a workable basis for participation by the Prices Support Board in the removal of eggs, surplus to domestic consumption.

### Exemptions:

1. Direct sales from producer to consumer.
2. All sales from producers to hatcheries for reproduction.

—As prepared by Mr. K. V. Kapler, May 5/57.

## Across The Secretary's Desk



By Mrs. Pansy Molen

### FARMERS' HOLIDAY

The Farmers' Holiday is not far off now and we hope that all locals have made plans to celebrate it. A number of locals have asked for suggestions on entertainment. Besides the ever popular baseball game, we might suggest some of the following:

Tractor Roadeo (instructions are available at central office).

Races for children with small prizes.

Softball game between elderly men and girls. This usually creates keen interest.

Games for adults, such as three-legged race.

Pillow fight. Have two poles placed about four feet apart. The two contestants sit on the poles and try to get the other person off by hitting him with a pillow. The one that stays on the pole is the winner.

Nail driving contest for the ladies. The ladies try to drive a four-inch spike into a block of wood. The first to do so is the winner.

Milk bottle game. People try to knock wooden bottles off a platform. Usually you charge 25 cents for three throws. If the person knocks them all off, there is a small prize.

If any local would like to have their celebration announced over the radio, let us know and we will see that it is done.

### DISTRICT CONVENTIONS

Plans are now complete for holding district conventions in all FUA districts, commencing with District 1 on June 13th.

We want to stress the importance of every local being represented at their district convention. This is the clearing house for the ideas of the membership as expressed through resolutions sent from locals. Each local is entitled to send one delegate for every 10 members or major portion thereof. Visitors are welcome but cannot vote. Be sure to send all resolutions you wish discussed at these conventions to your district secretary.

District 1 — June 13, Grande Prairie  
District 2 — July 12, Peace River

District 3	—	July 3, Boyle
District 4	—	July 5, St. Paul
District 5	—	June 26, Seba Beach
District 6	—	June 25, Chipman or Lamont
District 7	—	July 4, Wainwright
District 8	—	June 24, Camrose
District 9	—	June 27, Wetaskiwin
District 10	—	June 28, Olds
District 11	—	June 17, Hanna
District 12	—	June 21, Macleod
District 13	—	June 18, Medicine Hat
District 14	—	June 20, Lethbridge

### 1957 MEMBERSHIP

Although the membership in the Farmers' Union of Alberta for 1957 is a little higher than at this time last year, we are not too happy about it, as 1956 membership is not a sound basis for comparison due to the extreme weather conditions during the fall and winter months which curtailed much of the activities that year.

As of December 30, 1956 farmers who did not renew their 1957 membership dues ceased to be members, as the two months' grace period allowed under the Constitution expired at that time.

Reports gathered from all areas of the province, reveal that ready cash is very limited. Many farmers assure us of their willingness to renew membership but stated they just have not got the six dollars to do so. We bear with the hundreds of farmers who are in this position, but we realize there are many others who can afford to renew their membership and who have just neglected to do so.

A farm organization, or any other organization, can only be as active and as strong as its membership wants to make it.

A farm organization cannot be completely effective if the majority of the farmers do not support it morally and financially. The decision for or against effective farm movement lies in the hands of all those members who have failed to renew their 1957 membership in their farm organization.

Always remember — as an individual you can do little. No one will pay much attention to you. But, when you band together with your brother farmers, you become a voice respected and listened to. The future of your business and your organization is in your hands — if you neglect it, it will neglect you. Your organization, the Farmers' Union of Alberta, can only be as effective as you, the farmer wish to make it.

If you have not renewed your membership, do so now!

# What Is A Basic Herd

## FOREWORD

One of the most frequent questions asked by farmers today is "What is a basic herd?" and "Should I establish a basic herd?" To give a clearer conception of some of the implications of this section of the act and to give a general outline of the law and its application we are reproducing here a portion of an article recently published in "The Canadian Chartered Accountant". This article was written by Mr. Allan W. Bell, C.A., a partner in Williams, Tanner & Bell, Chartered Accountants of Lethbridge, Alberta. Mr. Bell is without doubt one of the leading authorities on farm taxation in Canada. I am sure you will find this article both interesting and informative.

E. B. McKITRICK, director,  
Farmers' Union Accounting Service

## Basic Herds of Livestock

On December 13, 1950, the Deputy Minister for Taxation issued Bulletin No. 3 describing the circumstances under which a basic herd may be established. In essence, this provides that a taxpayer who is engaged in the business of the production for sale of livestock or livestock products and who maintains a permanent herd of cattle, horses, sheep or swine for that purpose, may apply for approval of a basic herd, to be established as at January 1, 1947 or the commencement of operations, whichever is later. The basic herd is determined as the number of mature animals or their replacements which the taxpayer can establish that he acquired by gift, inheritance or by purchase, provided that the purchase was not used to reduce his taxable income. Two immature animals are equal to one mature animal, and a mature animal is one which has attained the actual age of two years in the case of cattle, three years in the case of horses and one year in the case of sheep or swine.

The number of animals in the basic herd may be increased by the addition of mature animals when they have been acquired by:

- (a) purchase in the current year, provided that no part of the cost is charged as an expense,
- (b) gift,
- (c) inheritance, provided that the animals were included in the basic herd of the deceased or their fair market value had been added to the income of the deceased,
- (d) natural increase, if the fair market value of the animal is added to the taxpayer's income in the year in which the animal attains maturity.

Where the total herd is reduced either by

sale or any other cause to a point where the total number of animals (expressed in terms of mature animals) on hand is less than the number of animals determined as the basic herd, the difference between the number of animals remaining on hand and the basic herd will be deemed to be a capital disposition. The basic herd will be reduced by this number of animals and the proceeds thereof, if any, shall be deemed to be a capital realization, not subject to income tax.

The average price of all animals (expressed in terms of mature animals) sold in the year in which the basic herd is reduced shall be used in determining the amount of capital realization. In arriving at this average price, the sale of a female with progeny, if sold together, shall be counted as the sale of one animal.

The principle of a basic herd presupposes a permanent herd and continuity of operation. In order that the approval of a basic herd may be maintained a taxpayer who has been granted such approval will be required to file income tax returns annually together with such information as may be requested regarding transactions affecting the basic herd.

It is to be noted that the bulletin treats a basic herd as inventory and allows the farmer to cost such inventory by the base stock method. It would be more correct, however, to call it a capital asset and to treat it as such. Although the bulletin gives the farmer the option of applying for the approval of a basic herd, there is support for the contention that the purchase of a new breeding animal is a capital expenditure and that in law there is no authority for even a cash basis farmer to treat such a purchase as an operating charge. In the case of Saunders vs M.N.R. (54 D.T.C. 203) the Income Tax Appeal Board held that a pedigreed flock of chickens was a capital asset and that the profit on the sale of such a flock was a capital profit not subject to income tax. It is possible, therefore, that the Department may use this authority to force taxpayers engaged in the production for sale of livestock to adopt either a basic herd or the accrual method of accounting or a combination of these methods.

In order to facilitate discussion of this subject, assume that in the fall of 1946 Mr. Smith purchased the following herd of cattle:

75 cows @ \$53	\$3,975
80 yearlings @ \$50	4,000
95 2-year-olds @ \$80	7,600
<hr/>	
250	\$15,575
<hr/>	

For basic herd purposes, this is equivalent

of 210 mature animals and the average cost per mature head is \$74.17. Let us also assume that Mr. Smith provides us with the information shown in Exhibit "A" and with the following detail as to the fair market value of his herd at December 31, 1954:

98 cows @ \$125	\$12,250
92 calves @ \$72.50	6,670
80 yearlings @ \$105.00	8,400
72 2-year-olds @ \$125.00	9,000
25 3-year-olds @ \$150.00	3,750
4 bulls @ \$350.00	1,400
<b>371</b>	<b>\$41,470</b>

An examination of these figures leads us to important conclusions:

(a) If, as in this case, a basic herd was established at December 31, 1946, when cattle prices were low, the farmer would realize a substantial non-taxable profit on a subsequent sell-out. If Mr. Smith sold all his cattle on January 1, 1955, he would realize \$41,470 (\$145.50 times 285

total units) of which \$30,555 (\$145.50 times 210 basic herd units) would be applicable to the basic herd and would give him a tax free profit of \$14,980 (210 times the difference between \$145.50 and \$74.17). Note however, that if Mr. Smith has commenced livestock operations on December 31, 1952, and had established a basic herd at that date, he would suffer a capital loss of \$2,840.04 (276 times the difference between \$155.79 and \$145.50) if he sold his complete herd on January 1, 1955. In other words, the basic herd basis should be adopted only at a time when livestock prices are low.

(b) The timing of sales is important where a complete sell-out is contemplated. Assume that in the fall of 1954 Mr. Smith decides that he would like to sell his herd and retire. Note the effect if he sells 75 cows prior to December 31, 1954, and then sells the balance on January 1, 1955 and realizes in all the fair market value as at December 31, 1954, as set out above. The total receipts of \$41,470 will be treated as follows:

(1) The proceeds of the sale of 75 cows at

#### EXHIBIT "A"

#### COMPARISON OF BASIC HERD, INVENTORY & CASH BASIS METHODS OF ACCOUNTING FOR PROFITS FROM THE SALE OF CATTLE

Year Ended Dec. 31	(1) Number Mature Head	(2) Fair Market Value of Herd	(3) Fair Market Value per Mature Head	(4) Basic Herd Value	(5) Combination Basic Herd & Inventory
1946	210	\$15,575.00	\$ 74.17	\$15,575.00	\$15,575.00
1947	247	20,910.00	84.66	15,575.00	18,707.00
1948	259	23,525.00	90.83	15,575.00	20,025.00
1949	257	26,890.00	104.63	15,575.00	20,493.00
1950	280	36,225.00	129.38	15,575.00	24,632.00
1951	292	48,450.00	165.92	15,575.00	29,180.00
1952	276	43,000.00	155.79	15,575.00	25,857.00
1953	292	39,918.00	136.70	15,575.00	26,784.00
1954	285	41,470.00	145.50	15,575.00	26,488.00

#### NOTES:

Column (1) This is the number of animals onhand, expressed in terms of mature equivalents on the basis set out in the Department Bulletin No. 3.

Column (3) Obtained by dividing column (2) by column (1).

Column (4) This amount does not change during the period because the number of mature head equivalents has never dropped below 210, this being the number on hand when the basic herd was established.

Column (5) Many ranchers calculate their income for tax purposes using a combination of the basic herd and the straight inventory method. For this purpose they add to the basic herd value, the average market value of the number of mature head in excess of the basic herd. In the example given the figure in column (5) for December 31, 1947 is arrived at as follows:

Basic herd — 210 units	\$15,575
Excess of 37 units @ \$84.66	3,132
	<b>\$18,707</b>

\$125 each amounting to \$9,375 will be added to his 1954 income.

(2) The receipts from the sale of the remaining 296 head (210 head in terms of mature equivalents), amounting to \$32,095, will be a capital receipt and will give a capital profit of \$16,520 (\$32,095—\$15,575) on the sale of the basic herd. This is \$1,540 (\$16,520—\$14,980) more than the tax free profit realized by selling the whole herd in January, 1955, as was suggested in (a) above. By selling off some of the low-priced animals (i.e. low on a per mature animal basis) prior to December 31, 1954, he increased the average value of the basic-herd animals from \$145.50 to \$152.83 (\$32,095 divided by 210) and accordingly increased the capital profit by 210 times the difference.

(c) Even where there has been no increase in the general level of cattle prices, a farmer on a basic herd can increase the average value per head by building up the proportion of high priced animals in the herd and, as concluded in (b) above, this will be of particular advantage prior to a dispersal sale.

(d) Over the nine-year period shown in Exhibit "A" (see opposite or below), the cash-basis rancher would have reported \$41,470 less income than the rancher on an accrual basis, \$15,575 less than the rancher on a straight basic-herd basis and \$26,488 less than the rancher using a combination herd and inventory basis.

It would appear, therefore, that the average cattle farmer should be encouraged to establish a basic herd only when cattle prices are substantially below the expected long term average. The decision in each case depends on the facts, however, and where the farmer plans to specialize in raising breeding stock, the prices prevailing at the time of establishing a basic herd are of less importance. This type of farmer would expect to increase the quality of his herd over a period of years and to that extent increase the value of his basic herd even though the general level of prices remained constant.

If a cattle farmer prefers to pay income tax on an accrual basis rather than a cash basis and prices are high when he commences operations, he should normally be advised to use a straight inventory basis and not a basic herd. He will have little chance of realizing any capital profits and he will insure that any losses incurred will be operating losses.

"Pop, I need an encyclopedia for school."  
"Encyclopedia, heck; you can walk to school like I did!"

## The Farm Tractor — Friend or Foe

by BILL PERKINS, Farm Safety Director,  
Alberta Safety Council



The modern farm tractor from its first early start was designed to be a help to the man on the land, to do his work easier, faster and possibly more cheaply. However with its increase in speed and power it has become a machine that needs careful handling or it can be a killer. Its ability to maim or kill is no idle statement. It is borne out in the farm accident records.

One of the first Alberta accident reports show that from May, 1949 to December, 1951 a period of 31 months, there were at least 76 people involved in tractor accidents. Of these 76, 46 were killed and 30 were injured.

More recent reports show that in 1952, 47 people were involved in tractor accidents and 29 of these were fatal. The record for 1955 shows 22 people killed by tractors and in 1956, 16 fatalities were caused by the tractor. The fatality record this year shows five tractor accidents and the busy season is not nearly through.

In all reports tipping on the highway and in the field caused the most numerous deaths. The reports show too that while the largest number killed were drivers, passengers and bystanders, particularly children ran up a high score.

If our tractor fatalities are to be cut down tractor operators should give serious thought to the so called short cuts and time savers if there is any risk to the life and limbs of themselves or their children.

The customer was buying a fountain pen for his son's graduation present.

"It's to be a surprise, I suppose," observed the clerk.

"I'll say it is," the father replied. "He's expecting a convertible."

## Why Leave the Farmers Out?

Many Canadians and Canadian newspapers (including, in a hesitant manner, this one) took issue with a proposal introduced in the parliamentary session for government-supported parity prices for all agricultural products. The argument in some cases was that this would interfere with the law of supply and demand, and nobody could do that for very long and get away with it.

To which the Red Deer Advocate makes devastating reply:

"It is interesting to find this tender feeling for the law of supply and demand, which is said to be in danger of violation if prices for what the farmer has to sell are supported by government action. But what happens to this dear old "law" in connection with things the farmer must buy?

"For example, if a Canadian farmer could go across the United States border and buy his car or truck, and drive it home, he could save himself several hundred dollars on the transaction. But he'd find when he drove up to the Canadian line that a customs officer of the Canadian government was waiting there to do a first class job of scuttling our old friend the law of supply and demand.

"And so the Canadian farmer can't go across the line to buy a car. He must buy it in Canada and pay the Canadian manufacturer several hundred dollars more for it. The government has set aside the law of supply and demand by imposing a customs tariff which enables the Canadian producer to charge a higher price for the car. If that is not a "support price" for the automobile manufacturer, what is it?

"If the so-called law of supply and demand is a true law it should be applied with complete impartiality to everyone. If that were done every restriction which affected the price or movement of goods would be removed. The protection of industry's prices provided by customs tariffs would be eliminated, an event that would throw Canadian manufacturing into complete panic. It is not likely that any such thing will happen. But until it does happen, the law of supply and demand argument against parity prices for farm produce is not a valid one."

That's the trouble. It's so hard to criticize the farmers for wanting something that seems to be a benefit to everyone else.

And it's a challenge to all who believe in free enterprise. Do they want it just for the farmers, or are they willing to take their chances with themselves?—Calgary Albertan Editorial, April 29.

## Political Meetings

These joint meetings can be and are desirable both by the people and the candidate. A well chaired meeting gives all candidates an equal opportunity to state the platform of their party, and to express their personal opinions. Since candidates have nothing to fear, any man who can not hold his own on a public platform would be a poor risk if elected.

It is very encouraging to note that similar open meetings are being sponsored by city organizations. The more the better. Perhaps some day statements made by politicians will have more meaning and promises made carried out.

Excellent reports are reaching head office from districts which have held their well arranged joint political meeting. The FUA has felt for some time that such meetings, sponsored in a non-political manner, could be and are both necessary and helpful in bringing before its members, and the general public, the platforms of each political group running candidates for elections. Some party supported meetings in the past have been both poorly attended by the general public, and in several cases have added nothing constructive to either the candidates or the party represented — mud-slinging; accusations; and insults do not add to the dignity of any candidate or political party.

## New Bulletin on Economics

We have been in search for a suitable book on modern economics. We found that the University of Iowa has published — Measuring the Performance of the Economy. This book is highly recommended to readers who wish to understand the basis of parity income concept.

In large lots, this book is available at a cost of 35c to the FUA.

---

Central Office, F.U.A.,  
9934 - 106 Street,  
Edmonton, Alberta.

Please send me \_\_\_\_\_ copy or copies of the book—Measuring Performance of the Economy.

I enclose \$ \_\_\_\_\_ Local No. \_\_\_\_\_

Name \_\_\_\_\_

Address \_\_\_\_\_

# The Organized Farmer

Editor A. W. PLATT

Members	50c a year
Non-members	\$1.00 a year

Authorized Second Class Mail,  
Post Office Department, Ottawa.

Published monthly by  
FARMERS' UNION OF ALBERTA  
Edmonton, Alberta, Canada.

Printed by Co-op Press, Edmonton.

Vol. XVI

MAY, 1957

No. 5

## EDITORIALS

### HOW TO VOTE ON JUNE 10th

The next four years are not going to be easy one for farmers. The problems of grain surpluses; the cost price squeeze; switches in production; to name only a few, will be with us during these years. At the end of four years we could be on our way to the kind of agriculture the farm union wants, or we could have slipped even further down the depression slide. Which way we go depends upon us as individual farmers, on our farm organizations, and on the government that Canadians elect on June 10th.

As Alberta farmers we won't have too much to say about who forms the next government. We will elect about the same number of members as the city of Toronto. For this reason it is of the utmost importance that we make sure that we elect the best possible men.

You have had an opportunity to hear your candidates speak at the F.U.A. Forums. If you haven't availed yourself of this opportunity you are not fulfilling your duty as a Canadian citizen, and don't deserve any sympathy if you get into trouble.

The man you should vote for is the one who has studied the farm problem and knows the difficulties involved. Find out what his background has been. Has he ever done anything for farmers in the past or has his concern for

farmers developed in the last few weeks? Beware of glib promises that mean nothing. Find out exactly what each candidate means when he talks about price supports and parity prices. Don't buy any deal that, on the face of it, is impossible — we are living not in a dream world, but one of stark reality.

I am not afraid of government by Liberals, by Conservatives, by Social Creditors, or by the C.C.F., but I am desperately afraid of government by fools. See that you don't vote for one on June 10th.

### ECONOMIC WARFARE

It is about time we quit kidding ourselves about the United States surplus disposal program. Soothing statements that they intend no harm to their friends just don't jibe with the facts of the case. The latest insult to our intelligence was that the wheat for Poland is to constitute a reserve store and would not in any way interfere with our sales to that country.

The truth of the matter is that the United States is waging economic warfare. They are using their agricultural surpluses for political and economic ends as national policy. In the process they are paying no attention to agreements or to accepted trading practices, nor are they very much concerned with who gets hurt in the process. They believe that what they are doing is in the national interests of their country and they will continue to do so as long as they continue to think so. In all fairness, they are not the first major nation in history to attempt to use economic strength to gain political ends.

In the meantime, our Government continues to make formal protests to Washington, and Washington replies that, after all — these are only reserve stocks which presumably we are expected to believe will be locked up somewhere for ten or fifteen years so that no one can use them.

While all this is going on our wheat markets are being gobbled up by our neighbor, Canada is losing the foreign credits that wheat earns, our wheat farmers are being impoverished by restricted deliveries and low prices, and all farmers are threatened by the mountains of cheap feed which always means cheap meat.

Speaking to a meeting of the Edmonton Junior Chamber of Commerce, recently, Mr. Howe said, "I do not suggest, for a moment, that present conditions of the wheat market are satisfactory. The dumping of U.S. surplus is causing great problems for the rest of the world's exporters. But Canada is doing a great deal better, both in terms of price and volume than if the Government were to step aside and

force the Canadian farmer to compete individually against the United States treasury." We can say "Amen" to all that. In fact his statement on dumping is probably the understatement of the year. Again, certainly no thinking person will disagree with the statement that we would be a lot worse off if we didn't have the Wheat Board.

During his address Mr. Howe also said, "A tough fight lies ahead to retain our traditional wheat markets and to achieve a reasonable degree of price stability until the burdensome surpluses now existing in North America disappear, as they surely will." Mr. Howe might better have said — A tough fight lies ahead to regain our traditional markets and to achieve a degree of price stability. You bet it is a tough fight, but when are we going to start fighting?

We have been repeatedly told we can't afford a price war with the United States. Of course we can't but we do have other weapons. We don't have to buy United States oranges, or dates, or lettuce, or even their steel or cement. We can get these from some other place or we can do without. We don't have to spend our vacations in the United States parks or taverns. We don't have to ask our citizens not to buy from the U.S. We can tell them not to buy. We did it in the other war we were in a few years ago. Perhaps a few years of such a policy would change some of the thinking south of the line.

There are some other countries that need to be reminded about a few things. We buy 25% of all the coffee produced in Colombo. The coffee crop in Colombo is just as important to them as wheat is to us. Colombo buys or is given all its wheat from the United States. This is only one example.

Insofar as the United States is concerned we have another weapon. Their defence against Russian air attacks depends on our radar screens.

Perhaps this sounds as though we were mad. We are mad. This whole business is a straight case of using economic strength to the detriment of smaller nations. We don't like being pushed around and we don't like Canada being pushed around, and we don't see too much difference whether it is done by physical or economic means. Most of all we don't like people or nations who let themselves get pushed around. Come on, Mr. Howe, let's get on with this tough fight you were talking about.

## FARMERS' DAY

June 14th is Farmers' Day. A lot of people spent a lot of time getting the Government to recognize it as such. What does it mean to the people of Alberta? According to the Edmonton Journal it means that the school children get a holiday. They say that government offices no longer close and that the farmers are too busy to leave their fields. That of course is not the case. Last year I travelled several hundred miles on Farmers' Day to three celebrations, and I didn't see many farmers in the fields. But there were lots at the celebrations.

Let us make sure that it is well observed this year. If you haven't made plans make them fast. If you can't organize locally at this late date make it a point to go to the nearest celebration. Then let us have some publicity. See that every celebration is properly advertised and properly written up and sent to the newspapers. Let us make sure that we keep Farmers' Day by using it as it was intended.

## APRIL 1957 MEMBERSHIP RECORD

DISTRICT	April Men	To Date Men	April Women	To Date Women	April Assoc.	To Date Assoc.	April Jrs.	To Date Jrs.	To Date Total
Dist. 1	8	1661	3	457	—	1	—	291	2410
Dist. 2	48	1398	18	372	—	—	13	275	2045
Dist. 3	25	1752	5	447	—	1	3	262	2462
Dist. 4	50	2012	13	515	—	—	17	445	2972
Dist. 5	7	1433	3	524	1	2	—	377	2336
Dist. 6	71	2743	26	1063	—	6	42	563	4375
Dist. 7	40	2722	15	795	—	3	9	416	3936
Dist. 8	65	2177	12	552	—	—	9	333	3062
Dist. 9	75	2254	14	652	1	3	1	330	3239
Dist. 10	91	2511	26	628	2	13	3	250	3402
Dist. 11	93	1406	49	472	—	10	11	174	2062
Dist. 12	43	1857	12	716	—	3	2	317	2893
Dist. 13	35	821	22	313	1	2	14	124	1260
Dist. 14	34	1715	10	396	—	—	—	192	2303
<b>TOTAL</b>	<b>685</b>	<b>26462</b>	<b>228</b>	<b>7902</b>	<b>5</b>	<b>44</b>	<b>124</b>	<b>4349</b>	<b>38757</b>

## Insurance Dollars Do Double Duty

What should be the attitude of consumer co-op members towards co-operative insurance companies?

President George Urwin of Federated Co-operatives Limited recently made the following comments:

"Purchase of all forms of insurance by Canadians has enabled insurance companies to take an active part in the development of Canada by investing accumulated funds in private enterprises.

"The expanding co-operative movement no less than private enterprise needs investment

capital and co-operators now have the mechanism through which their insurance dollars can become 'double-duty dollars'.

"Co-operative insurance companies, in the fields of Life, Hail, Fire and Casualty, and Fidelity are rapidly gaining in stature, and are accumulating investment funds for use in co-operative business expansion.

"It is, therefore, up to us as co-operators to use co-operative companies for all our insurance needs, thereby strengthening the whole movement at no additional cost to ourselves. By this means we are protected 'at cost' individually, and collectively we are helping to finance Co-op expansion."



To make real savings, farmers think of U.F.A. Co-op for their Farm Supplies.  
NOW — two modern warehouses to serve you, located as follows:

For the Edmonton area, at 7133 - 124 th Avenue, Edmonton, just off the Fort Trail south of Healy Ford Motors.

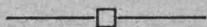
For the Calgary area, at 3720 - 1st Street, S. E. Calgary.

### FOR YOUR WEED CONTROL PROGRAM . . .

U.F.A. Co-op handles a complete line of nationally known weed killers.

They will kill weeds efficiently, yet with the greatest economy.

Write either Calgary or Edmonton for illustrated literature and prices.



## U. F. A. Co-operative Limited

Box 1056, North Edmonton.

125 - 11th Ave. E., Calgary.

# FROM A POINT OF LAW:

By A. M. Brownlee

## Galbraith vs Minister of National Revenue

This judgment of the Income Tax Appeal Board, handed down on October 17th, 1956, illustrates the advisability of keeping proper books and records with respect to farming operations, and also of having a clear-cut understanding on financial matters within the family group.

This is another of those cases where the Minister of National Revenue, not being satisfied with the Income Tax Returns filed by a tax payer, determined the amount of tax payable by the taxpayer on a arbitrary assessment basis. Mr. Galbraith was arbitrarily assessed for the seven years ending December 31st, 1953, and this decision, which can be found in 1956 Dominion Tax Cases at page 495, is the report of the outcome of Mr. Galbraith's appeal from the arbitrary assessments.

Officers of the Department of National Revenue investigated the Appellant's affairs for the period extending from December 31st, 1946 to December 31st, 1953, and the net worth of the Appellant was determined on the basis of the information gathered. The Department estimated Mr. Galbraith's cost of living as averaging \$1800.00 per year during the period in question, while the Appellant contended that it could not have been more than \$700.00 or \$800.00 per year. The Appellant was the father of seven children, all of whom lived with their parents on the farm until 1951 when one child left followed by another in 1952. At the beginning of the period under review the children's ages ranged from five to eighteen years. Previously, the Appellant had claimed and had been allowed a deduction of \$600.00 for the board of two of his sons who worked with him on the farm. In this appeal, therefore, the Chairman of the Appeal Board found it hard to understand how the cost of board for two sons could be \$600.00 a year but the cost of living of the whole family not more than \$700.00 or \$800.00 per year. As the Appellant's evidence on this point was not accepted, it was left with the Minister of National Revenue to reassess.

The next point taken by the Appellant had

to do with wages purported to be due by him to two of his sons to the extent of about \$8580.00. He claimed that this liability should have been taken into account in the determination of his net worth as of December 31st, 1953, and that the failure of the Minister to do so resulted in his net worth being determined in an amount exceeding by that much what it really was. The chairman of the Board stated: "There is no satisfactory evidence that the Appellant ever agreed to pay wages to his two sons while they worked on his farm. As a matter of fact, the Appellant admitted that there never was any agreement as to wages, but that this was just a case of the family working as a unit and saving all the money they could to buy a farm some day. In his evidence the Appellant admitted that when these two boys left the farm, they never asked for any money because they felt that they had been working as members, and for the benefit, of the family as a whole." Under the circumstances the Board held that there was no satisfactory evidence that the Appellant ever agreed to pay wages to his sons and that his appeal should fail on this count. It should always be remembered that the onus of proving a point such as this rests with the Appellant, and consequently the desirability of accurate records and agreement on such points cannot be over stated.

It is highly satisfactory to see more and more farming people consulting chartered accountants with respect to the filing of income tax returns. The problem of an arbitrary assessment will be avoided by taking this relatively inexpensive precaution, and the practice also encourages the equally valuable habit of making definite financial arrangements within the family rather than carrying on over an indefinite number of years only to find that a difference of opinion then arises as to the respective rights of parent and child.

---

TOO TRUE — No matter how much you nurse a grudge, it won't get any better.

\* \* \*

Opportunity still knocks but we've grown so spoiled, we want her to press an electric bell.

## Know Your Directors



MRS. F. H. HOUSE

Mrs. F. H. House, FWUA director for District 12 is a native of Alberta having lived in the High River district before coming to Arrowwood in 1930. Shortly after coming to Arrowwood she joined the Junior UFA and was later sent as a delegate to Farm Young People's Week.

In 1934 she became a member of the UFWA and for about three years devoted much time helping with Junior work. Before becoming FWUA director in 1955, she served as president of the women's local for about eight and a half years.

Her husband has been a member since 1923. They are busy farmers and have two children, Maureen and Gene, aged 13 and 11 years.

Besides her activities in the union, Mrs. House is active in the church and Home and School, having been on the "Hot Lunch Committee" for sometime.

Mrs. House's father, Mr. Connell, is a pioneer of the Gladys Ridge district, 15 miles from High River, being the oldest old-timer left in the district.

## A Solution to Rising Farm Costs

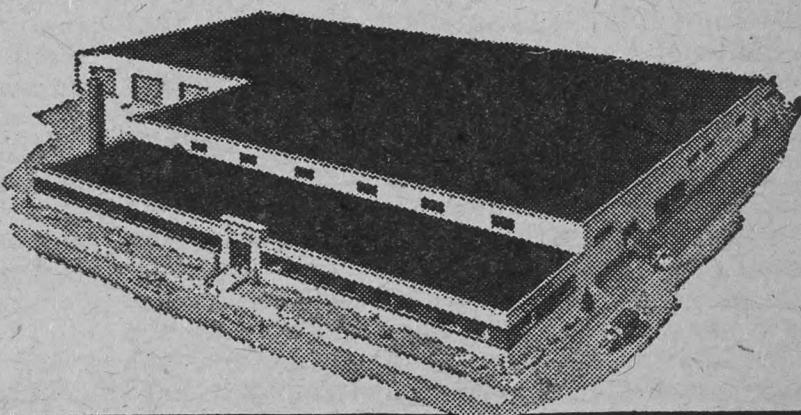
"FARM SUPPLIES  
... AT COST"

### Here's How . . .

Your Alberta Co-op Wholesale Association Limited has set up a Co-op Farm Supply Department to service you with your agricultural and bulk farm items at WHOLESALE plus 5% less a 3% cash rebate at the end of the year on all your purchases for the year. This includes such items as 2-4D, Seed Treatment, Grease & Oil, Tires, Paint, Batteries, Plywood, Roofings, Wiring Material, Anti-freeze, and other items. These and many other items may be purchased by joining the "Co-op Farm Supply Department" at your local Co-op Store or at the Alberta Co-operative Wholesale.

For further information see your local Co-op Store or write the

Alberta Co-op  
Wholesale Ass'n Ltd.  
11507 - 120 Street,  
Edmonton



THE ALBERTA CO-OPERATIVE WHOLESALE ASSOCIATION LIMITED.

**CO-OP FARM SUPPLY DEPARTMENT**

11507 - 120 Street, Edmonton, Alta.

Phone 887241

# FWUA Section



## F.W.U.A. Conferences

Two very successful FWUA Conferences were held in District 9 at Lacombe and Wetaskiwin. There was a good attendance at both conferences from the FWUA and the joint locals.

Mrs. F. A. Sissons, FWUA director, reported on the activities of the FWUA to each conference. Mr. J. K. G. Austin, guest speaker at Lacombe, spoke on "Homes for the aged and infirm", while Mrs. J. J. Stewart of Red Deer spoke on "Legal Status of Women", at the Wetaskiwin Conference.

Entertainment and a pot luck lunch was provided.

## District 12 F.W.U.A. Conference

District 12 held their FWUA Conference at Nanton on May 3rd with 55 ladies registering, which was a very good attendance for such a busy time of the year. Reports were given from the various locals. Morning thoughts were ably given by Mrs. Panse of Nanton. Mrs. C. T. Armstrong spoke of the FUA organization and Mrs. Olive Douglass reported on the A.F.A. Convention.

Mr. Norman Bell from the Alberta Wheat Pool showed beautiful pictures of Australia, and Prof. Lindstedt, assistant professor at the University at Calgary gave a very clear picture of the training young people receive to become teachers.

A bountiful noon time lunch was served by the Nanton ladies and tea was enjoyed at the close of the conference.

## F.W.U.A. Hi-Lights

Fairview FWUA No. 201 plan to have a bingo booth again on "Farmers' Day". A number of donations to various organizations were made. Enquiries to be made in re holding both joint and separate sessions for their convention.

\* \* \*

Anthony Hill FWUA No. 909 (Ponoka) — along with many other locals — are much interested in the matter of mental health and plan to co-operate with the Ponoka Mental Hospital. Great interest shown in local meeting and members hope to be able to keep this up.

\* \* \*

Warner FWUA No. 1402 hope to be able to send one or two delegates to "Junior Young People's Week". A move is on foot by the Chamber of Commerce at Warner to try to change July 1st to permanent Monday holiday, and discussion on this was held by the local.

\* \* \*

The April meeting of One Tree FWUA No. 1307 (Brooks) was held in conjunction with a demonstration on casserole dishes, given by Mrs. Gray, district home economist. The local feels that this is a very well worthwhile demonstration which every housewife could use to her own advantage.

\* \* \*

Conrich FWUA No. 1007 report a very active season — what with sales of spring plants; telephone whist drive; making of a quilt for the Red Cross and gathering material to be made into blankets for needy Europeans. One member, at the last March meeting, gave a most interesting description of her trip to the West Indies.

A very good meeting was held by the Three Hills FWUA No. 1018, and the "play" put on by the ladies recently was a great success. It is planned to show a film before long which is sponsored by the "Canadian Mental Health Association".

\* \* \*

For a small local the Irvine FWUA No. 1309 are doing very well — financially — by way of catering to a dance and holding a raffle. Proceeds were to go to the Cancer Fund.

\* \* \*

A group of women from the Clover Bar FWUA No. 602 spent part of a day visiting the Canadian National Institute for the Blind and hearing a lecture on the work being done there — given by Mr. W. E. Milton, supt. of Alberta Division. They liked the handicraft display so much that they bought several articles. Later in the day they visited the school for the deaf where they were much pleased by everything they saw and heard.

\* \* \*

Viking South FWUA No. 807 report a very successful dance, put on jointly by the FUA and FWUA. Tickets for the queen contest were sold at the dance and a woollen blanket was raffled.

\* \* \*

The ladies of Asker FWUA No. 902 are making a study of Australia, and at each meeting some one member gives a talk on some feature of that country—history and geography; animals, birds and vegetation; population, etc.

\* \* \*

A whist drive sponsored by Craigmyle FWUA No. 1102 is reported to have been a decided success. A very worthwhile and interesting lecture on "Eyes, Ears, Nose and Throat" was given by Mrs. Gwen Dury, a former nurse.

\* \* \*

Ranfurly FWUA No. 610 have decided to pay car expenses for their delegates to district and sub-district meetings. Each member has been asked to bring two questions — with answers, on Australia to the next meeting.

\* \* \*

A social evening, for the benefit of Mental Health, is being planned by Jenny Lind FWUA No. 1305 (Scandia)—with films, and a doctor as guest speaker to talk on mental health. Local talent and sale of pie and coffee will complete the evening.

\* \* \*

Okotoks FWUA No. 1208 are making plans to send a candidate to "Farm Young People's Week." They also hope to hold a picnic in the park on "Farmers' Day".

Champlain FWUA No. 401 and FUA No. 414 held a joint meeting and had an exceptionally good attendance—40 members and 11 visitors. Mr. Fritz Wuth spoke to the gathering on his trip as a delegate to Ottawa, a very interesting report.

\* \* \*

Berrywater FWUA No. 1202 (Vulcan) have been very busy lately — having adopted an Indian boy; hearing report on district short course held at Parkland; making donations to a number of organizations; catering for an auction sale and serving a 120 plate dinner to the Civil Defense Unit of County of Vulcan (which two last items were quite profitable). They are working on a scrap book on Australia.

\* \* \*

Heath FWUA No. 703 were so interested in Mrs. Taylor's bulletin on "National Farm Policy" that they hope to have her visit their next meeting to give further information on it. This local is planning a float for the Stampede Parade.

\* \* \*

The members of Chinook FWUA No. 1213 (Pincher Creek) held a novel contest in which songs were composed about the FWUA and sung by different groups to popular tunes. A successful card party is reported.

\* \* \*

Westlock FWUA No. 308 report catering for a double wedding—making \$122.00. Donations were made to a number of organizations, including one of \$40.00 to the Westlock Library. It was the opinion of the meeting that the farm is a good place for a family but young people leave the farm because they can make more money in other walks of life.

\* \* \*

Sydenham-Gerald FWUA No. 710 (Wainwright) plan to raffle a "bed layette" during the summer. It is also planned to enter a float in the "Frontier's Day" parade on June 21. A donation was made to the Wainwright library.

## THIS AND THAT . . .

### Thinking

Thinking is the newest and the most difficult of the arts. Nobody can engage in it very long at a time. It is too painful. Mostly we rely on ready-made opinions and we think more with our emotions than with our heads. We think we think when we are only re-arranging our prejudices. We think we are thinking when we boast of our tolerance, but far too much that passes for tolerance is no more than an absence of convictions.—Grove Patterson

## U.S. Farmers Take a New "Look" at the Farm Problem

While we in Canada tend to look with envy on the U.S. farm program, which has resulted in large sums of money from the national treasury being funneled into agriculture through their parity price legislation, it must be admitted that the results are not all that was hoped for. Large surpluses and constantly increasing costs have placed many United States farmers in a position not much different from their counterparts in Canada.

As a result a new line of thinking is developing in United States farm circles. This can best be illustrated by the following excerpt from a speech by Mr. James Patton, president of the United States Farmers' Union. Mr. Patton has a world-wide reputation as a dynamic, clear-thinking, realistic farm leader. His thinking is well worth noting at any time.

"Professor Willard Cochrane, of the University of Minnesota, outlined at a recent meeting of the American Farm Economics Association a plan whereby farmers with legal aid, might restrict their production to the point at which prices would be forced up to a fair level. Compared with "agribusiness", Professor Cochrane has put the horse out in front of the cart where it belongs.

"Many of us have been reluctant to discuss the deliberate shrinking of market supply in order to achieve higher prices because of the monopolistic aspect of it, and we would rather get along without monopoly either for us or against us. But to some extent we have been suckers.

"In doing this we have lost about 100,000 farmers a year from the land, watched farm net income drop about one billion dollars a year, to less than 45% of parity, watched our prices fall by almost a third in relation to our costs and have found ourselves in one of the worst cost-price squeezes of all time.

"I still believe strongly in a large national reserve of food and fiber, and some of you know me as a leader in the unsuccessful movement to establish the same policy on an international basis. Farmers' Union has also advocated the stockpiling of food on the perimeters of areas most likely to be bombed in the event of an attack. And I still feel as strongly as ever that there is no true surplus of commodities so long as people are hungry.

"Farmers' Union is dedicated to all of those

propositions and will continue to be. We are also dedicated to democracy in America and specifically within agriculture. We believe in the institution of a Congress of popularly-elected representatives of the people, and we believe in holding popular elections even though our friends don't always win.

"But the raw truth is that American farmers must turn some fire back against the fire which has been scorching us. We must get our hands on the tough kind of bargaining power which we meet coming the other way every time we go to market. We must increase our take-home pay just as others have increased theirs, including the corporate officers who get it in the form of salaries and the corporate investors who get it as dividends.

"American farmers must take over the management of their abundance, must take more control of their product. This may mean taking a page from the books of the auto industry, the steel industry and the big food processors. In some of these cases it may mean moving in on them before they move any further in on us.

"If the people to whom we have been preaching the virtues of abundance and the necessity for rewarding abundance don't want to listen to us, perhaps they will have to be shown the other side of the coin. Perhaps farmers will have to manage their abundance so tightly that house-wives will see what we mean when we say that they should be grateful for a price support program which assured adequate production instead of scarcity.

"Perhaps a line should be drawn representing a price which will return a parity of farm income and no commodity allowed to cross that line unless it bring that price. And I am not talking about \$21.00 hogs, which is a parity price — I am talking about \$28.00 hogs, which is the price it would take to bring farmers parity of income. I am not talking about \$2.49 wheat, I am talking about the \$2.99 a bushel it would take to bring parity of income. I am not talking about \$1.80 corn, but about \$2.18 corn.

"Every time farmers have come through with a good production job, what the economists call inelasticity of demand has come into play to penalize them instead of rewarding them. I propose that this law be used by farmers instead of against farmers. If the volume of farm production were reduced by only 1 per cent, the average price received by farmers would increase 6-7 or even 10 per cent. This is the factor, in reverse, which has worked against us.

"Even the most extreme critic of our national reserves, who thinks of them as wasteful burdens on the taxpayers' backs, would have to concede that what he calls a surplus is only a small percentage of the total farm production. But it has been this small percentage that has been the difference between success or failure on many farms and ranches because of the adverse effect of allowing the law of supply and demand to be used against farmers."

"This is the factor that farmers must put on **their** side of the bargaining table.

"Managing our abundance for the primary benefit of farmers might be done by a close calculation of the national requirements, including reserves, figured right down to the point where we come out even. This figure for each commodity might then be translated into a bushelage or poundage quota for each farmer, in which case I propose that it be done on a graduated basis to benefit the family farmer."

"This system might require a national board acting in the behalf of farmers, much as the Federal Reserve Board acts to stabilize money and banking. It might require other marketing boards to enforce the price established legally as a fair one, below which no commodities would move into commerce."

"This outlines a tough proposition, but it is no tougher than the conditions on most of our family farms today. With it might go other features. For example, I would propose that parity income deficiency payments be provided to the extent that the estimators of national requirements might over-estimate."

"National Farmers Union has an integrated, well-rounded program before Congress for improving farm prices, raising farm family net income, expanding credit, making the Soil Bank really effective as a conservation measure and for otherwise closing the great agricultural gap in our so-called prosperity."

"At the top of it, we believe there should be declared a national food policy based on augmented consumption at home and abroad but rewarding those who produce it."

"We would increase farmers' bargaining power but a comprehensive farm income improvement program consisting in part of workable combination of parity deficiency payments and price supporting loans and purchases, marketing agreements and production adjustments. We would put corn and the other feed grains into one package and gear their support directly to livestock. Instead of dragging the higher commodities down to the lowest denominator, we would pull the low ones up to a fair level

and stop the vicious divisiveness between commodity groups."

"We would restore to elected committees of farmers the administration of their programs, expand social security protection for farmers and farm workers, and expand consumption at home and abroad by a food stamp plan, stepped-up school lunches, a broader milk for children program, international commodity agreements and an international food and fiber reserve bank."

"We have not lost faith in the democratic processes of people using **their** government for their own benefit. Unlike a contemporary farm organization and many officials of this Administration, we do not believe in anarchy, either as a political system or as a means of handling the farm problem."

"Our farm abundance **can** be managed; but, if it is to be managed for the primary benefit of those who produce it, we will have to take much bolder action than anything we have seen yet. We will have to match our economic opposition blow for blow, all within the framework of constitutional democratic processes."

In connection with the ideas expressed by Mr. Patton, it is interesting to examine a Bill introduced into the United States Congress by representative Metcalfe, of Montana. This is an extremely lengthy and complicated Bill that cannot adequately be described in any detail at this time. However, the main ideas may be summarized as follows: The Bill would provide legislative authority for producers to set up marketing boards which are similar in principle to those in effect in Canada. It would have the very important extra provision of giving this board the authority to control production as well as marketing. It would also make the protection of farm income mandatory and not less than 80%, or more than 100% of parity by means of deficiency payments. A provision exists for storage programs so that consumers are safeguarded against scarcity in case the controls on production were too great. These are the most important provisions. There are many others, including farm credit, crop insurance, and so on.

In its essential features the proposed bill is not unlike the Farm Union policy in Alberta, with the important exception that they propose to control production. We might well ask ourselves — can our program work without production controls? We have thought that it can, and if it can it is highly desirable that it be done this way. A lot of people have said that it can't. If it can't are we prepared to accept this next step.

# What Is Parity Income?

Parity means "equity", "on par with". It is the farmer's symbol of justice. Farm parity, as defined by Farmers' Union, is . . .

"The right of farm families by their work, management and property ownership to be able to earn incomes equivalent to those earned by people (with equal skill and effort) in other walks of life."

Parity, as applied to income, is defined as . . .

"That gross income from agriculture which will provide the farm operator and his family with a standard of living equivalent to those afforded persons dependent upon other gainful occupation."

To help achieve parity, Canada has passed several laws to support the prices of certain commodities. Usually, these levels are referred to as a percentage of the parity price for each commodity, rather than as an income concept for any one farmer or all farmers together.

This raises two big issues:

1. Shall our goal be of price parity or parity of income?
2. What percentage of parity should our farm program support?

## PRICE PARITY OR INCOME PARITY?

Farmers live by their income (price times volume) — not by price alone.

Farm programs to date have been based on a parity **price** standard for specified commodities, which falls far short of achieving the parity **income** goal.

For example: In 1952, 100 per cent of **price** parity brought farmers 52 per cent of **income** parity.

## Who Should be Protected

The family farm and its welfare have been objectives of Canadian public policy for more than 100 years.

Family farms have proved their efficiency, their adaptability, by feeding Canada as no other nation in history has been fed.

The family farm — social scientists, religious and civic leaders agree — is the best rural environment for growth of personality, stability of family, strength of community, protection of democracy.

The Farmers' Union does not seek to limit arbitrarily the size of individual farm holdings; it does assert that federal income improvement programs should be available on no more than the volume of production attainable from an efficient family farm.

Any commodity is **basic** to the farmer who produces it and relies on it for a major portion

of his income. Income improvement programs should apply without discrimination to all farm commodities.

**For this we stand:** "Enactment of mandatory federal farm income protection legislation at 100 per cent of fair parity for the family farm production of all commodities . . ."

## Why Mandatory Legislation?

Some who agree with the Farm Union's **full, fair parity** goal argue that we should seek "full parity in the marketplace."

They ask: Why must we have legislative support for farm income?

**The Answer:** The "free" market has never (except in wartime) been friendly to farmers.

The agricultural market is always a buyer's market. Here's why:

1. Farming is highly competitive: farmers cannot control production to influence price as many other industries do.
2. Advancing technology has kept farm production always a little ahead of effective demand.
3. Farmers have not the financial reserves to afford periods of idleness while demand catches up with the supply.
4. The farmer's fixed costs are high and rigid. He supplies his own labor. He can't fire himself, his wife, or his children when demand is slack.
5. Natural processes cannot be reserved. Seed planted grows a crop; it is better economy to sell a harvest — even at a loss — than to sell nothing. Cows can't be put on a three-day week.

The only way farmers could get 100 per cent of parity in the market place would be by elimination of the family farm and substitution of a few giant food-producing corporations. These, by threatening the people with famine, could force prices up to, and well above full parity. But such a course would lead to revolt, state control of farms, very possibly to bloodshed and tyranny.

## The Farmers' Union Believes

That abundant production is in the public interest.

That assured abundance requires a safety margin of surplus production.

That justice demands protection of farm income in return for the farmers' national contribution of an adequate food supply.

That only the federal government can assure justice to farmers.

**For this we stand:** "Enactment of mandatory federal farm income protection **legislation** at 100 per cent of fair parity for the family farm production of all commodities."

## Jack Sutherland, of Hanna, Reports

On enquiry from FUA Head Office as to what program we follow in our Earlton local FUA, I offer the follownig:

For years we broke our backs trying to keep first, of course, a UFA local, and then an FUA local going in the town. Too much competition — auction and other sales, beer parlor business etc., so we gave it up in disgust and moved out of town 8 miles to our Earlton School. Consequently, with the move, we organized a snow plow club, 7 members, and bought a snow plow rotary and started working as a FUA local for a high graded road from the black top to our school. We got the grade last summer but are now working for gravel. Then we got power in the school. The vice-president and I financed the wiring—cost us about 60 dollars, but then we always have a good light now; power to run a movie projector, and a hot plate to heat water for coffee.

We instruct our canvassers to hit first thing for the top family membership, including The Organized Farmer. In most cases it is just as easy to get the whole thing, at least that way we have all the women in and we sign up all the kids as soon as they are old enough for school, that way the kids get a pride in the organization at an early age. We meet on the second Friday evening of the month. Friday night is the best for the teachers and the kids as they don't have to get up early in the morning.

We usually cut out about three meetings in the summer rush. We have a film council and so we have a group of films which are changed every two months, and we keep the same meeting night so that we always have use of the projector. We sent one of our young mechanics to take a few hours course in projector operation, so he goes in to get the projector and films on Friday evening but they must be returned Saturday sometime. We found that it is better to start the pictures at 8 sharp every evening, even if we only have a few present that way the kids anxious to see the pictures raise heck with the parents to get there on time.

At four or five meetings we usually have some definite speaker for a short talk. For instance, next Friday we will have our municipal hospital secretary to give us a little talk on hospital matters. Also, once a year, a board member for our special areas board (that is our kind of municipality down here) and other speakers. We have the secretary of R.E.A. as a member, also a large division school trustee. We discuss our own resolutions and then we have lunch and coffee to end up with.

We have all our directors concerned and

they are the entertainment committee. Once a month, in the winter, we have a whist drive and are slowly building up a little money. We also buy a little stuff from the U.F.A. Co-op, as we also have our local as a U.F.A. Co-op local. We put everything we do in the local paper.

In the two and a half townships covered by the local I think we must have 90% in, kids and all. We had about 101 at our last meeting.

## Associated Country Women Of The World Report

by Mrs. F. A. Sissons

Since my paper on the A.C.W.W. in March I have had several inquiries about the Souvenir Issue of the Country Woman. I have a supply of this issue on hand now. They sell at 15¢ per copy for any member or local wishing to have one or more copies.

I also have a supply of A.C.W.W. pins. They are very attractive in green and white—the A.C.W.W. colors and sell for 40¢ each.

The response to the delegate fund has been very good but I would like to remind the locals that we must all do our part. We are counting on all women members of the organization—women in FUA locals, FWUA locals and yes—the girls in the Junior locals. To date we have not heard from many women in FUA locals. The conference is being held in Ceylon, July 3rd to 13th.

Our delegate plans to take pictures on the trip and will have a most interesting report for us.

Delegates from 26 countries will be attending this conference — let us be sure that our delegate is among them.

## Two Useful Bulletins

We would like at this time to draw your attention to two recent bulletins—that came to our desk. First one is entitled "Swine Production in Alberta" and the second "Poultry Production in Alberta." Both of these bulletins were prepared and published by the Department of Animal Science at the University of Alberta. They contain a great deal of useful information on the breeding, feeding and housing of both swine and poultry. Anyone who is engaged in the production of either of these farm products could profitably spend a few minutes looking over these publications. They may be obtained free of charge by writing to the University of Alberta, or you may obtain them in your district agriculturist's office.

# Open Forum

Letters for publication from members and subscribers only in The Open Forum must be brief. Pen names may be used if desired, but the pen name of the sender must accompany the letter. A recent Board of Directors' ruling limits letters to 300 words and those longer cannot be accepted. Readers are asked to observe this change. The F.U.A. does not endorse or accept any responsibility for opinions expressed under this heading.

Dear Editor:

Commenting on Mr. Peterson's letter in The Organized Farmer why do farmers do just that, vote for certain measures in their organization and then vote against them at the Poll, Mr. Peterson suggests that it is time to establish a political education branch of the Union. This might work alright if it could be adopted, but I think the trouble lies with Mr. Peterson to try and find out why the farmers do this.

H. Wear.

Dear Editor:

A letter in The Organized Farmer, March 3rd, by Eric Muth of Benalta, Alberta, describes a situation which has been given some attention by others for some time. He says, quote, "Now I am sure we all honestly elected our different co-op bodies to do a particular job we had in mind and not to be our farm business director, manager and representative, or what they will call themselves." He goes on to compare them and their activities along with other such leaders not in the farm movement, leaders, let us say, whose job is one of farming the farmers. It's a matter of politics, and as a farmer long interested in the study of political economy I have long been aware of the fact that the "Western Producer", journal of the farm commercial organizations, has as a rule carried the same political line and news coverage that we find in the regular commercial or capitalist press. More recently, in editorials, it has made attacks on the capitalist system reminiscent of the attacks made by Social Credit back in '35. In any event, quite as political in nature as any such paper can be, generally, are keeping us or aspire to keep us, which is to say that the leaders of the co-ops whose outlook is the same as commercialism generally, are keeping us or aspire to keep us on a political rope of their own choosing.

A. J. MacDonald,  
Edmonton, Alberta.

Dear Editor:

Some time ago I received in my farmers' union mail a circular concerning the proposed "Alberta Egg Marketing Plan". The plan was explained by way of questions and answers and, according to the answers to question two this is to be a "producer-controlled board".

The answers to questions 3 and 4 give the information as to how the producer is going to have his control over the "board". Alberta is going to be divided in 35 sub-districts — in 7 districts — whereby each sub-district is going to be represented by one delegate at the annual meeting. The delegates will be elected by mail ballot, which means that the average producer will neither see or know the delegate as the sub-districts are going to be roughly twice the size of the FUA sub-districts. In the plan nothing seems to be set up in the way of giving the producer a chance to express his opinion and enforce it by means of resolutions at the sub-district or district levels.

What does this all mean? It means that this is not a Producer Controlled Marketing Board, but a Board controlled for the producers by a few of them. It means that there will not be any democracy, nor any power at what we in our FUA call the "grass root level".

I am not a poultry producer so if the people concerned want something like this they can pass it without any more protest from me. However, I want to protest against the fact that our Union, which always tries to uphold true democracy is associating itself in the way of publicity and propaganda with a plan like this, a plan that kicks the right of the producer in the corner and calls itself "producer controlled".

Sincerely,

Pete Wadman,  
Alhambra, Alberta.

A gangling youth walked up to the clerk of the court and announced he wanted a marriage license.

"Certainly," said the clerk. "Where's the bride-elect?"

"What d-ya mean, bride-elect?" asked the youngster. "There warn't no election—this gal appointed herself."

\* \* \*

God gave us two ends with a connecting link;  
With one we sit, with the other we think,  
Our success depends upon which we use—  
Heads we win, tails we lose!

## BOOK REVIEW

**THE FIRST FIFTY YEARS** by R. D. Colquette, Public Press, Winnipeg, 1957.

Here is a book that every farmer must read. I particularly commend it to our younger members. It is the story of the United Grain Growers, their beginnings, their struggles, their disappointments and their successes. It is really much more. It is the story of those pioneer farm leaders who contributed so much to the farm people of Western Canada. It is the story of W. R. Motherwell, of E. A. Partridge, John Kennedy, T. A. Crerar, C. Rice Jones, Henry Wise Wood, George Langley, J. J. McLellan, John Brownlee, and many more. The author lets us know these men. Speaking of Partridge he says — "Partridge was a big, well-proportioned man, with a blonde mustache, flashing eyes. He had personality that would attract attention in almost any crowd.. He had a secondary school education and at one time was a teacher in the state of Simcoe County, in Ontario. On reaching maturity he came west, to Sintaluta, where he homesteaded in the early eighties. Again he taught school for a while, first near his homestead, and later at Broadview. When Riel went on the rampage in 1885 he joined the Yorkton Rangers. His exploits as a volunteer were not recorded, but the time spent in the Queen's uniform, if he had one, counted as residence duties on his homestead.

"Partridge's thinking ranged far beyond car shortages and violations in the Manitoba Grain Act. He was something of a visionary; not of the dreamy eyed but of the combative type, with a caustic tongue in his head and a chip on his shoulder, afraid of neither man nor devil in a duel of words. He became active in the trust busting era, when the people of Canada and the United States were becoming acutely aware of the huge capitalistic combines. Here are some of the flashes at the 1905 convention of the Manitoba Grain Growers' Association: "Twenty-five years ago smut and other blemishes were removed with the bran, now it is the custom to skin the wheat — also the farmer who grew it. A lie will travel a thousand miles while the truth is getting its boots on. A pious Presbyterian, in the employ of the Hudson's Bay Co., who unctuously asked Grace over his whiskey, or the Psalm-singing Puritan who made it, a penal offence for a man to kiss his wife on the Sabbath Day, didn't scruple to buy a five dollar beaver skin from an Indian for five cents worth of glass beads. Don't blame the other fellow for taking advantage of his opportunity. An easy mark is a great temptation to shoot."

He also tells us of the great events of the day. The organization of the Territorial Grain Growers' Association; the passing of the Canada Grain Act; the fight with the Railways and the Grain Exchange, or as Partridge called it, "The house with the closed shutters." There is the story of the annual meeting held in a tent in a mid-way; the story of the time the trading privileges were taken away from the company; there is the story of the founding of the Grain Growers' Guide; the story of the ill-fated Manitoba Government Elevators; the story of the Co-operative Elevator Movement in Alberta and Saskatchewan; of the Canadian Council of Agriculture; the first Canadian Wheat Board; and of the Wheat Pools; and of the times and difficulties that were encountered following the first world war; the story of the thirties; of the all-out war years; the British Wheat agreement; the International Wheat agreement. These and many others are given by the author in a very readable and interesting manner. All-in-all it is a fascinating book. I couldn't lay it down once I had opened it. You won't be able to either.

## IN MEMORIUM

**Mr. & Mrs. W. Summers**

Farm unionists across the prairie provinces will learn with deep regret of the sudden passing of both Mr. and Mrs. Waldo Summers, of Vancouver, B.C. In their fifties, Mrs. Summers died of a heart attack on March 27th, and about a week later Mr. Summers succumbed to a malignant ailment. Their only child, Joan Summers, survives in North Vancouver.

Both Mr. and Mrs. Summers had been active and effective workers in farm organization. Under his direction a campaign was undertaken in Alberta, in 1954, that brought in the Farm Union of Alberta over 50 % of the farmers of that province, which was the first time any province had a majority of the farm people in the farm organization.

Ethel and Waldo Summers were fine people, who gave generously of their time and talents to bettering agricultural conditions for western farmers, and the outgrowth from the good seeds they sowed in farm unionism will stand as the best memorial to their worthwhile efforts.

Applying for his citizenship papers, Gino was doing all right until he came to the question about the Canadian flag. "What is it," asked the Judge, "that you always see flying over the courthouse?"

"Peejins!" confidently replied Gino.

## Your Own Car Insurance

At the annual convention of the F.U.A. the board was instructed to appoint a committee to arrange for a Car Insurance Pool for F.U.A. members, to be administered by a car insurance company.

After negotiating with a number of companies we were fortunate in obtaining the services of the Co-op Fire and Casualty Co. This company is well established and is administering insurance programs in all parts of Canada.

### THE PLAN

In order to obtain the best results we have agreed that it is necessary to insure at least 7500 vehicles at the regular low insurance rates quoted by the Co-op Fire and Casualty Company before establishing this pool (vehicles owned by F.U.A. members and already insured in Co-op Fire and Casualty will be automatically included in the F.U.A. Pool).

### IT'S UP TO YOU

The rest is up to you — our immediate target is 7500 vehicles so that the pool can be set up before our annual convention. We are counting on every member insuring every vehicle with Co-op Fire and Casualty as present policies expire.

### INSURANCE AT COST

Once this is in operation it will mean that F.U.A. members will obtain insurance at cost — only actual expenses of administration and claims being withdrawn from the pool — the balance being available for rate reductions in subsequent years.

### HERE IS ALL YOU DO

Fill in and mail the coupon below — hand it to your F.U.A. secretary or mail to Co-op Fire and Casualty Co., 402 Northern Hardware Bldg., Edmonton.

### F.U.A. Car Insurance Pool

I am interested in insuring the following vehicles through the F.U.A. Car Insurance Pool and would ask to be reminded one month before my present policies expire by forwarding me rates and application forms.

Type of Vehicle

My present policy expires

Name \_\_\_\_\_

1. \_\_\_\_\_

Address \_\_\_\_\_

(Please Print)

2. \_\_\_\_\_

3. \_\_\_\_\_

# THE FARMERS' FRIEND

**Not everyone**

**is out to make money from you.**

**In your town you have  
a special friend and ally.**

**His success is gauged by his service to you.**



**Your  
ALBERTA WHEAT POOL AGENT**

**is trained as your grain marketing adviser  
and operates your Pool elevator  
for the  
Benefit of All Members.  
He is a good man to know.  
Visit him often.**